



Ninety-Eighth Legislature - First Session - 2003  
**Introducer's Statement of Intent**  
**LB 284**

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**Chairperson:** David Landis  
**Committee:** Revenue  
**Date of Hearing:** February 21, 2003

The following constitutes the reasons for this bill and the purposes which are sought to be accomplished thereby:

LB 284 would reinstate a throwback rule for the apportionment of the multi-state income of unitary businesses beginning with tax year 2003. The “throwback rule” was originally part of the Uniform Distribution of Income For Tax Purposes Act, which was adopted by the National Conference of Commissioners on Uniform State Laws in 1957, and was adopted by Nebraska in 1967.

Under a throwback rule, sales that are shipped from any state into a state where the seller has insufficient contacts, or nexus with that state to be subject to income tax would be thrown back to the shipping state for purposes of determining the share of the nationwide sales of the unitary business that are made in each state. The purpose of a throwback rule is to assure that all sales of a business are considered sales in some state that has nexus to tax the company.

LB 284 would return the apportionment of multi-state income to the way it was prior to the passage of LB 559 in 1995.

**Principal Introducer:** \_\_\_\_\_  
**Senator David Landis**